

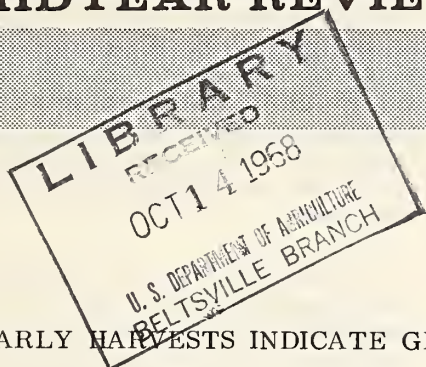
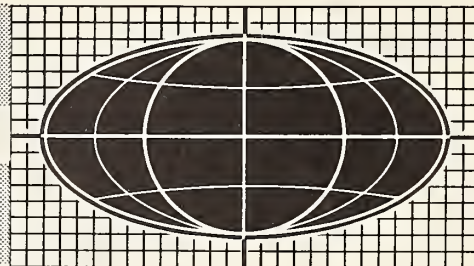
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THE AFRICA AND WEST ASIA AGRICULTURAL SITUATION

1968 MIDYEAR REVIEW



EARLY HARVESTS INDICATE GENERALLY GOOD CROPS

North Africa and West Asia's 1968 grain harvest is nearly completed. Results are generally good. Morocco and Iran harvested record high crops of wheat while the wheat crops in Tunisia and Algeria were greatly improved over last year's poor crops. Turkey's wheat crop was very good, although not equal to the record-breaking crop of 1967. Poor rainfall distribution held down yields of grain in Syria and Jordan. In the Republic of South Africa, this year's wheat harvest is expected to double last year's crop.

Although the Republic of South Africa's 1968 corn crop was about average, it was not much more than half last year's bumper crop. South Africa carried over into the 1968/69 marketing year approximately 3.0 million tons from the 1967 corn crop. (In this publication, "tons" means metric tons.)

Kenya's 1968 corn crop is expected to be slightly larger than in 1967 and will probably provide some for export.

Africa and West Asia's cotton production is gradually increasing. However, early views indicate that the 1968 cotton crop in the United Arab Republic (Egypt), the region's largest cotton producer, will be slightly smaller than in 1967.

The first estimate of Africa's 1968/69 coffee crop is 17,772,000 bags or 1,066,000 tons. This would be slightly more than in 1967/68. Coffee production in Ivory Coast, Africa's largest coffee grower, is expected to be down in 1968/69. Gains in production will be registered in Angola, Uganda, and Ethiopia.

The size of the African cocoa crop for 1968/69 has not been established.

The civil war in Nigeria following secession of Eastern Nigeria ("Biafra") has disrupted the food supply of "Biafra" and created need for famine relief programs. However, the civil war has not had appreciable effect on the agriculture of the rest of Nigeria. Export shipments of Nigerian peanuts are proceeding normally despite the civil war.

FEATURES OF THE AGRICULTURAL SITUATION FOR 1968

NORTH AFRICA

Good Grain and Citrus Fruit Crops Reported in Morocco

The grain harvest now underway is estimated at between 4 and 5 million tons and may be Morocco's best. Production of the various grains is estimated as follows: Soft wheat, 636,000 tons; durum wheat, 1.78 million tons; barley, 2.2 million tons; and corn, 240,000 tons. Last year's grain crop was 2.5 million tons.

Moroccan citrus fruit exports have been at record levels. It is estimated that 610,000 tons of fruit were exported by the end of the season in mid-June. This would be 17 percent above last year's record exports of 522,000 tons. Although French strikes caused some disruption in trade, citrus exports to France were not seriously affected.

Good Grain Harvests in Algeria; Some Damage from Hailstorms

The grain harvest this year is expected to reach 1.8-2.0 million tons (wheat and some barley). This is the best crop since 1963, topping last year's production of 1.4 million tons. Algeria will still have to import some grain, since annual domestic demand is 2.1 million tons.

Although conditions seemed almost ideal during most of the growing season, late hailstorms in eastern Algeria caused heavy damage. Late plantings and cool weather prolonged the growing season into the period when searing winds hurt the crop in parts of the upper plateaus.

UAR Plans to Buy 2.1 Million Tons of Wheat and Wheat Flour

By mid-June, the United Arab Republic reportedly had negotiated or was nearing the completion of negotiation on contracts for approximately 2.1 million tons of wheat and wheat flour to be delivered during the 1969 fiscal year. In spite of continued economic difficulty, these

imports would be equal to those of the preceding year. When supplemented by local production, they should be sufficient to maintain normal levels of bread consumption. According to the Egyptian press, West European wheat exporters have offered to supply the UAR with letters of credit on wheat at a price of \$53 per ton (against an average price of \$61 last year). An estimated 800,000 tons of wheat would be received from West European countries during FY 1969. The rest is to be obtained through previous agreements with other countries. Foremost of these is the USSR, which was the UAR's largest wheat supplier last year.

Although official estimates of the 1968 Egyptian cotton crop are not yet available, indications are that it will be less than the 1967 harvest of 435,000 tons. A smaller crop would mean the third successive year of declining output. The reduction is due to a cotton-leafworm invasion early in the growing season and a slight reduction in acreage planted.

WEST AND CENTRAL AFRICA

Nigerian Peanut Shipments Proceeding Normally Despite Civil War

Nigeria is the world's largest exporter of peanuts. Most of the peanut crop is grown by farmers in northern Nigeria and must be hauled 700 miles to the coast for loading on to ships. About one-third of the boxcars of the Nigerian railway system are used to haul peanuts.

Apapa Harbor, at Lagos, is the major port for Nigerian peanut exports. About 29 percent of the peanut crop was formerly shipped on the eastern leg of the railway, through Port Harcourt in Eastern Nigeria. But, after Eastern Nigeria seceded from Nigeria in 1967 as the "Republic of Biafra," the eastern railroad and Port Harcourt were closed. The entire Nigerian peanut crop, including oil and oil cake is now shipped through Lagos.

From November 10, 1967 to May 9, 1968, deliveries to Lagos totaled 265,066 tons

of shelled peanuts; 44 percent of the export peanuts were shipped to Lagos by truck and 56 percent by train. Total shipments to port during this period compare favorably with shipments in the pre-Civil War period.

The civil war following secession of Eastern Nigeria ("Biafra") from the Federation of Nigeria disrupted the area's food supply.

"Biafra" is heavily populated. It normally secured extra food--particularly proteins--from other parts of Nigeria and other countries. However, cattle can no longer be driven into "Biafra" from northern Nigeria, Niger, and Chad. Hostilities stopped imports of stockfish from Scandinavian countries.

The war also upset planting, cultivation, and harvest of locally-grown crops, including yams, cassava (manioc), corn, and plantains (cooking bananas).

Foreign governments and international relief agencies, as well as local relief agencies have begun massive famine-relief programs. Relief supplies have reached the areas of "Biafra" retaken by the Federal forces. A beginning has been made in bringing foods into other areas of "Biafra" under an agreement for a limited airlift concluded between the Nigerian Federal Government and the International Committee of the Red Cross (ICRC).

Estimate of Senegal's 1967/68 Peanut Crop is Revised Downward

Earlier estimates that 1.2 million tons of peanuts (unshelled) would be marketed during Senegal's 1967/68 season have been revised downward. Total production is now estimated at about 1 million tons--somewhat below the 1965 record. Senegalese farmers were hurt by this smaller crop since at the beginning of the season it had been hoped that a record harvest would compensate for the 15 percent reduction in producer prices.

Senegal is the world's second largest exporter of peanuts.

Cocoa Bean Prices Raised for 1968 Crop in Ghana

The Government of Ghana has increased producer prices for cocoa beans from 10.6 U.S. cents per pound to 11.4 cents per pound. The government has guaranteed a minimum price of 9.8 cents per pound through the 1970/71 season, regardless of the fluctuations in world cocoa prices. The size of the 1968/69 crop of cocoa beans in Ghana has not been established.

Pineapple Production Expanding Rapidly in Ivory Coast

In recent years, the Ivory Coast has shown larger increases in commercial pineapple production than any other African country. Apparently it now is the second largest commercial producer in Africa. In 1960, the Ivory Coast produced 23,000 tons of pineapples. By 1967, production had increased to 91,000 tons.

Two companies have major roles in pineapple production, canning, and exporting of processed pineapples. The larger company's activities are centered around Ono, in southeastern Ivory Coast. The other large company operates around Tiasale, northwest of Abidjan, the capital. A third company accounts for all of the Ivory Coast's exports of fresh pineapples.

In 1967, Ivory Coast exported 24,159 tons of canned pineapples, 8,328 tons of pineapple juice, and 9,987 tons of fresh pineapples.

In 1967, about 90 percent of the Ivory Coast's fresh pineapples and pineapple juice and half of the canned sliced pineapples were shipped to France. Other members of the European Community (West Germany, Italy, Netherlands, and Belgium-Luxembourg) are the country's next best pineapple customers. (The European Community, EC, is also referred to as the European Economic Community or EEC.)

Domestic consumption of fresh pineapples in the Ivory Coast is estimated at only about 2,000 tons.

Stability in the Congo
Permits Recovery in
Agricultural Production

Palm oil and other palm exports were the largest agricultural exports from the Congo in 1967. Only copper surpassed them as a foreign exchange earner. An estimated 123,000 tons of palm oil and 42,000 tons of palm kernel oil were exported. This increase in exports of oil palm products is indicative of the Congo's gradual recovery of agricultural production. Production, particularly of commercial crops, fell greatly after independence in 1960. The recovery is attributed to the currently stable situation in the country and monetary reform undertaken by the Congolese Government in June 1967.

Cotton production in the Congo (Kinshasa) is slowly recovering from the low levels following independence. The Congo's largest cotton crop was 60,000 tons in 1959; slightly more than two-thirds was exported. Although production will probably not return to export levels for many years, production is approaching domestic consumption needs.

Cotton production fell to a low of 6,000 tons in 1965. This decline was due primarily to repeated local disturbances in cotton-growing areas after independence. Also, prior to independence, Congolese farmers grew cotton on a compulsory basis; after independence, they switched to other crops.

If the tranquillity currently prevailing in the Congo continues, 1968 cotton production may reach 13,000 tons and increase to 15,000 tons in 1969. That would provide most of the Congo's domestic needs.

SOUTHERN AFRICA

South Africa Still
Making Exports from
Record 1967 Corn Crop

The most recent estimate of the Republic of South Africa's 1968 corn crop is 5.5 million tons. Although much less than the record 1967 crop of 9.6 million

tons, it compares favorably with the 1960-66 average. South Africa experienced severe drought during the first months of 1968.

South African corn exports during 1967 were 1,980,000 tons, valued at \$109 million. During this period, Japan was the largest recipient of South African corn, receiving 898,000 tons, valued at \$51 million. Most of the corn exported to Japan was yellow corn, which competes with U.S. corn. The United Kingdom was the second largest buyer, taking 629,000 tons, valued at \$33 million. Other countries of Western Europe purchased 429,000 tons, valued at \$25 million. Italy purchased slightly more than half of this.

The Republic of South Africa carried over into the 1968/69 marketing year approximately 3.0 million tons from the 1967 corn crop. About 1.5 million tons were exported during the period January 1 to May 1, 1968. Although South Africa will continue large exports of corn during 1968, the monthly rate may decrease somewhat.

Drought and Frost
Reduce Crop Production
in Rhodesia in 1968

A severe drought during the first part of 1968 cut Rhodesian crop production a tenth. However, production is expected to provide near-normal food supplies.

This year's corn crop is estimated at about 400,000 tons, slightly less than half of last year's crop. Large stocks carried over from 1967 will provide a sufficient supply of corn for domestic consumption during 1968. The flue-cured tobacco crop harvested in 1968 may have been smaller than the official target of 60,000 tons. Quality was reported to be lower than last year. The Burley tobacco crop is estimated at 1,800 tons, 500 tons short of earlier estimates. The Oriental tobacco crop fell somewhat short of the official target of 700 tons. Vegetable crops were reduced in some areas by heavy frosts in mid-1968.

The Rhodesian Government has offered grants and loans to assist those farmers whose output of agricultural products was seriously affected by the drought.

EAST AFRICA

Kenya is Producing More Wheat and Corn; Has Surplus for Export

The 1968 wheat crop in Kenya is estimated at 215,000 tons, 10,000 tons over 1967 output. Kenya expects to continue supplying domestic wheat requirements and those of Uganda for 1968. Last year, Kenya also supplied 18,000 tons of wheat to Tanzania, meeting the wheat requirements of all three East African Community countries. Kenya is exploring possibilities of finding markets for surplus wheat in Mauritius, Reunion, and Malagasy Republic (Madagascar), and the Far East.

Because of favorable weather conditions, increased acreage, and higher yields, corn production in Kenya is expected to total 1.8 million tons, compared with 1.75 million tons last year. Demonstration plots showing improved cultural practices, proper fertilizer use, and the new varietal hybrids helped increase yields.

During 1967, Kenya sold 100,000 tons of corn to Western Europe, and 30,000 tons of white corn to Japan for use in its starch industry. This year, Kenya intends to start a livestock feeding and marketing program and is looking for new markets for its corn. A surplus of 182,000 tons is estimated to have been carried over from the 1967 crop.

Suez Canal Closing Causes Difficulties for Somali Bananas

The closing of the Suez Canal by the Arab-Israel War of June 1967 has nearly doubled shipping time for Somali Republic bananas, most of which are marketed in Italy. Since shipments must now be made via the long route around the Cape of Good Hope (South Africa), spoilage is high and shipping costs are almost prohibitive.

In 1965, bananas accounted for 46 percent of the Somali Republic's export revenues.

Many imports coming into the Somali Republic as into other East African

countries are subjected to the longer routing (around the Cape) at increased costs.

Overall, it is not readily apparent that the closing of the Suez Canal has caused serious and widespread difficulties, except to the UAR, which is losing a considerable amount of revenue.

WEST ASIA

New Semi-Dwarf Wheat Yields Well in Turkey

Turkey has another excellent wheat crop, but it falls short of the 9 million ton record-breaking crop of 1967. Included in the 1968 crop is the first substantial Mexican semi-dwarf wheat crop to be harvested in Turkey. The improved seed program has been termed most successful. In the fall of 1968, Turkish farmers are expected to plant about 4 or 5 times as much seed of the new Mexican wheat varieties as they planted in 1967.

Other grains and crops are generally satisfactory. Despite a 3 percent cut in cotton acreage, production should be near last year's record because of improved farm practices. The 1968 tobacco crop estimate is down 20,000 tons. This year is the "on" year for filberts, and production is expected to double last year's 140,000 tons. It is also the "on" year for olives, and a good crop is anticipated.

Iran Reports Good 1968 Crops of Wheat, Cotton, and Other Commodities

Iran has had an all-round good crop year. Generally, winter and spring rains were adequate. The wheat crop was the largest ever, estimated at close to 4.4 million tons. This will likely provide an exportable surplus of 400,000 tons. The cotton crop, another export item, is expected to reach a record 150,000 tons. Production of most other crops was satisfactory.

From March 21, 1967, through March 20, 1968, Iranian agricultural exports increased 21 percent over the prior year. These exports were valued at \$98 million, and

accounted for about 22 percent of all exports, excluding petroleum. Cotton exports, which will increase again with this year's good crop, made up the greatest proportion of the agricultural export increases in the past year.

More Grain in Iraq

Early reports out of Iraq indicate a better grain crop in 1968 than they have had in recent years. Accurate figures are not available but indications are that the crop will exceed domestic demands.

Syria's Wheat Crop Below Consumption Needs

Unofficial, but reliable, farming and business sources report that Syria's 1968 wheat crop is estimated at between 450,000 and 500,000 tons. This means that the Syrian Arab Republic will be obliged to import some 300,000 tons of wheat to meet domestic needs if normal levels of consumption are to be maintained. Barley production is estimated at 400,000 tons, with an exportable surplus of about 100,000 tons.

Israeli Imports and Exports Up in 1968

The 1968 Israeli wheat crop is 50,000 tons below 1967's record 220,000 ton crop. Consequently, in 1968 wheat imports will more than double last year's 12-year low.

Exports of Israeli agricultural products during 1968 will probably set a new record high. Citrus fruit exports were up and may have reached a value of \$90 million.

During the 1968/69 cotton marketing year, Israel probably will import only a few hundred tons of long-staple cotton. In turn, it may export as much as 8,000 tons of short-staple cotton.

Poorer Crops in Jordan

In an early report, Jordan's East Bank 1968 wheat crop was estimated at 120,000 tons--some 60 to 70 percent of last year's crop. This smaller crop is attributed to poor rainfall in March. Other crops have been reported as only fair.

Lebanon's Production Down in 1968

An extended drought early this year reduced the 1968 wheat harvest. The latest forecast for a 45,000 ton crop is a third less than the 1967 harvest of some 68,000 tons. Likewise, the 1968 barley crop is expected to fall short of last year's harvest of 12,000 tons.

Severe Drought in Cyprus

In 1968, Cyprus experienced its most severe drought since independence (1960). The wheat crop has been estimated at less than one-third last year's record 95,000 tons. The 40,000-ton barley crop is less than half as large as last year's crop. A scarcity in feed and fodder will hinder the livestock industry. Wheat and barley imports may be required to make up the drought loss.

Locust Threat Abates; May Worsen Later

Swarms of desert locusts did some damage to crops in various parts of West Asia and northeast Africa. By late summer, the danger of severe infestations seems to have abated. However, new threats from locusts may emerge in November. Authorities in the affected countries are aware of the danger and are taking measures to combat the locusts.

African Members Hope
to Renew Association
with EC in 1969

The 18 African states associated with the European Community are working out terms under which the Yaounde Convention will be renewed. The Convention, which went into force in 1964, expires May 31, 1969. The negotiations have begun, but will probably not be finalized before the spring of 1969. The African leaders are hoping to modify the provision which requires that their products be sold at world market prices. It is also important to African countries that the aid from the European Development Fund be continued without interruption.

Chad and Central
African Republic Change
from UDEAC to UEAC

On April 2, 1968, Chad and the Central African Republic joined the Congo (Kinshasa) to form a new regional organization--Union des Etats d'Afrique Centrale (Union of the States of Central Africa, or the UEAC). The agreement signed by the countries provides for possible cooperation in transportation, economic development projects, and security.

Chad and the Central African Republic, had been members of the Union Douaniere et Economique de l'Afrique Centrale (the Central African Customs and Economic Union, or UDEAC), but withdrew to form the new UEAC. However, Cameroon, Congo (Brazzaville), and Gabon--the three remaining members of UDEAC--are holding discussions to reorganize UDEAC so that it can continue to function.

With Swaziland's Independence,
Africa Now has 41
Sovereign Countries

On September 6, 1968, Swaziland became the 41st independent African country. Swaziland is the last British High Commission territory to gain independence. (Botswana and Lesotho were also High Commission territories). Britain granted internal self-government to Swaziland in April 1967, with the understanding that

independence would follow within a "reasonable period of time."

Swaziland is basically an agricultural country, with many of its 400,000 people practicing subsistence agriculture. Important agricultural products include corn, cotton, sugar, citrus, pineapples, peanuts, rice, and livestock. Several agricultural products are exported: Sugar, cotton lint, cottonseed, fruit, meat, and meat products. In recent years, Swaziland has greatly increased some of these exports. For example, exports of citrus fruit increased from \$95,000 in 1960 to \$1.6 million in 1966. During the same period, sugar exports, primarily to the United Kingdom, increased from \$3.6 million to \$15.1 million. Although Swaziland is still in an early stage of development, progress and economic growth has taken place and should continue after independence.

Equatorial Guinea
Expects Independence
in October 1968

Still another country will be added to the list of independent African countries when Equatorial Guinea achieves self-government from Spain. October 12, 1968 is the date set for independence. Equatorial Guinea, formerly known as Spanish Guinea, consists of Fernando Po and several neighboring islands in the Gulf of Guinea, plus the mainland area called Rio Muni. Fernando Po produces a significant amount of cocoa beans (estimated at 34,000 tons for 1967/68). Coffee is the main export crop of Rio Muni.

Three East African
Countries Sign Short-Term
Agreements with EC

On July 26, representatives of the European Community and Kenya, Tanzania, and Uganda--which form the East African Community (EAC)--signed a preferential trade agreement in Arusha, Tanzania. The agreement (still to be ratified), is expected to promote and increase trade between EC member countries and the EAC. All EAC exports, except coffee, cloves, and canned pineapple, will be permitted duty-free entry into the EC.

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